

AGENDA
FREMONT REDEVELOPMENT AGENCY REGULAR MEETING
FEBRUARY 22, 2011
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 *Approval of Minutes – None.*

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS – None.

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

5.2 **AUTHORIZATION TO PURCHASE CITY-OWNED PROPERTY**

Authorization to Use Affordable Housing Funds to Purchase Certain City-Owned Properties, including the Former Corporation Yard Site on Sequoia Road in Centerville

Contact Person:

Name:	Elisa Tierney	Robert Beyer
Title:	Redevelopment Agency Director	Interim Director
Dept.:	Community Development	Community Development
Phone:	510-494-4501	510-494-4767
E-Mail:	etierney@fremont.gov	rbeyer@fremont.gov

RECOMMENDATION: Staff recommends the Agency Board (1) approve the purchase by the Agency from the City of the Sequoia Road former Corporation Yard site for a purchase price of approximately \$8,000,000, adjusted by appraisal to equal the current fair market

value of the Property, for future use to develop affordable housing; (2) approve the purchase by the Agency from the City of the one-acre surplus parcel on Central Avenue, adjacent to new Fire Station 6, for a purchase price of \$1,720,000, for future use to develop affordable housing; (3) authorize the Executive Director, or his designee, in consultation with the City Attorney and Agency Special Counsel, to prepare purchase and conveyance documents for acquisition of both sites (the "Conveyance Documents"), reflecting the terms and conditions described in this Staff Report; (4) authorize the Executive Director to execute the Conveyance Documents, in the form approved by the City Attorney; and (5) authorize the Executive Director, or his designee to file appropriate CEQA notice.

6. ADJOURNMENT



5.1 Report Out from Closed Session of Any Final Action

5.2 AUTHORIZATION TO PURCHASE CITY-OWNED PROPERTY
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A companion item is on the City Council agenda for this evening.

Executive Summary: Staff is recommending the City Council authorize the sale, and the Agency Board authorize the purchase of, two City-owned properties: the City's former Corporation Yard at 37350 Sequoia Road in Centerville, and a one-acre surplus parcel left over from the construction of the new Fire Station 6, located at 4355 Central Avenue. Staff proposes acquiring these two sites with existing proceeds from the Agency's Low and Moderate Income Fund for the purpose of developing new affordable housing opportunities.

BACKGROUND: In early January, the Governor released his 2011/12 budget proposal which, among other provisions, calls for the elimination of redevelopment agencies throughout the State by July 1, 2011. In order to accomplish such rapid termination of redevelopment, the proposal contemplates urgency legislation in March 2011, which needs a 2/3 vote in both houses to become effective immediately and suspend Agency operations. At this point in time, in the absence of certainty, it is prudent to consider this threat a likely outcome and plan accordingly.

On January 25, 2011, staff presented the City Council and Agency Board with information about possible courses of action to preserve current available affordable housing assets as well as to preserve a future affordable housing revenue stream in light of State budget issues and impacts. Those actions included the following:

- 1) Augmenting existing programs, such as the first-time homebuyer and rehabilitation loans.
- 2) Trading Housing Funds for other local funding sources, such as CDBG and HOME funds.
- 3) Moving up the purchase of City property (such as the former Corporation Yard) for housing purposes.
- 4) Entering into new loan agreements with selected affordable housing developers.
- 5) Executing a City/Agency affordable housing cooperation agreement (similar to the Master Public Improvements Grant Agreement between the City/Agency).
- 6) Issuing taxable affordable housing bonds.

At their February 15 meetings, the City Council and Agency Board addressed all but items 3 and 4, consideration of City property purchase, and new loan agreements with selected affordable housing developers, with the understanding that these items would be scheduled as action items for their February 22 meetings. The focus of this agenda item is to consider for approval the purchase by the

Agency of City-owned land for future disposition to affordable housing developers for the development of these properties as affordable housing.

DISCUSSION/ANALYSIS: Former Corporation Yard Site: The Sequoia Road site is located in a residential neighborhood surrounded by existing multifamily residential developments. The 4.5 acre vacant site, after setbacks, has about 3.1 acres of net buildable area. It is zoned R-G-19 (Garden Residential District, 1,900 square feet minimum lot size) and has a General Plan designation of 23-27 dwelling units per acre. The site has been remediated of hazardous material and contamination and cleared by State and local regulatory agencies. The City has anticipated the sale of the former Corporation Yard property for some time. In past discussions, the City Council has generally supported the idea of affordable or mixed income housing on this site. The most recent appraisal was completed in 2007, with an appraised value in the range of \$7.6 to \$8.3 million. In order to effectuate this transaction, a new appraisal would be commissioned to determine current fair market value.

Fire Station No. 6 Surplus Property: This 49,203 square feet (1.13 acres) vacant parcel is left over from the construction of Fire Station No. 6, located at 4355 Central Avenue in Centerville. The site is zoned P-2005-73 (Planned District), has a General Plan designation of medium density, 6.5 to 10 units per acre, and is subject to the Centerville Specific Plan. The allowed use in this district is residential development at densities of 11-15 units to 23-27 units per acre. The Central Avenue site, adjacent to the new fire station, is located in a mixed-use area near high density residential/apartments as well as commercial, automotive and public uses. According to a recent appraisal, the current value of the approximately 1-acre parcel is \$1.72 million, with a highest and best use for residential purposes.

FISCAL IMPACT: The Agency currently has an available balance of approximately \$7.9 million in its Housing Fund. Pursuant to the Governor's proposed budget, any available revenues in the Agency's possession at the end of the current fiscal year will be turned over to the Housing Authority of the County of Alameda (HACA). The Executive Director of HACA has made it clear that if forced by the Governor to receive any Housing Fund revenues from the Fremont Redevelopment Agency, they would simply contract it back to Fremont to undertake projects in our local jurisdiction. While this is generous and supportive of the local government, it would still be a more bureaucratic endeavor than if City staff could commit the Agency's Housing Fund balance for specific affordable housing sites before the end of the fiscal year.

It is anticipated that total acquisition costs for these two sites could be as much as \$10 million. In the event that the purchase price for these two parcels were to exceed the Agency's available Housing Fund revenues, the Agency would enter into a loan agreement with the City, providing for the Agency to pay the City the outstanding portion of the purchase price out of future revenues.

ENVIRONMENTAL REVIEW: The purchases of the two properties by the Agency are activities by the Agency that implement the Consolidated Amended and Restated Redevelopment Plan for the Merged Project Area. A program Environmental Impact Report was prepared in connection with the adoption of the Redevelopment Plan and was certified by the Agency and the City Council on March 2, 2010 (the "RDA Plan EIR"). The purchase of the two properties by the Agency is within the scope of the RDA Plan EIR, and no new environmental document is required in connection with such purchases, in that no new effects could occur, and no new mitigation measures will be required at this time, since the mere purchase of the two properties creates no new environmental effects that were not considered in

the RDA Plan EIR. Further, at this time the future use of the properties for affordable housing is insufficiently defined, making project-specific analysis of environmental impacts premature. The Agency will conduct environmental review of project-specific impacts for each property in compliance with CEQA at the time specific projects are proposed for each property and each property is considered for disposition to a developer for development of a specific affordable housing project.

ENCLOSURES:

- [Map of former Corporation Yard site, at 37350 Sequoia Road](#)
- [Map of Surplus Fire Station property, at 4355 Central Avenue](#)

RECOMMENDATION: Staff recommends the Agency Board (1) approve the purchase by the Agency from the City of the Sequoia Road former Corporation Yard site for a purchase price of approximately \$8,000,000, adjusted by appraisal to equal the current fair market value of the Property, for future use to develop affordable housing; (2) approve the purchase by the Agency from the City of the one-acre surplus parcel on Central Avenue, adjacent to new Fire Station 6, for a purchase price of \$1,720,000, for future use to develop affordable housing; (3) authorize the Executive Director, or his designee, in consultation with the City Attorney and Agency Special Counsel, to prepare purchase and conveyance documents for acquisition of both sites (the "Conveyance Documents"), reflecting the terms and conditions described in this Staff Report; (4) authorize the Executive Director to execute the Conveyance Documents, in the form approved by the City Attorney; and (5) authorize the Executive Director, or his designee to file appropriate CEQA notice.